YE - A-8 – ACCRUE EXPENDITURES (NO ACTIVE POs)

Source Document: Goods and Services Invoices

Interagency Services Invoices

Payroll/Travel Invoices

Module: General Ledger (GL)

Roles: GL Journal Processor

GL Journal Approver

Purpose: At year-end, the A-8 entry accrues actual and estimated expenditures as Accounts Payable or various Due To accounts for goods and services received as of June 30, but not vouchered for payment by June 30. The A-8 entry should be entered in the GL module in period 998 and reversed in Period 1 of the new fiscal year.

Collect all invoices with no active POs that need to be accrued at year-end, and identify the invoice type, such as goods and services, payroll, travel, and interagency services. This ensures that the correct Chartfields will be used when posting the journal entries.

The A-8 entry will debit an expenditure account, and credit a current liability account. The journal entries will look like this based on the invoice type:

Payroll

Debit 51xxxxx Personal Services
Credit 2000100 Accrued Accounts Payable

Travel

Debit 5320xxx Travel
Credit 2000100 Accrued Accounts Payable

Interagency Services (with State Departments)

Debit 53xxxxx Operating Expense and Equipment *
Credit 2010000 Due to Other Funds *
Credit 2011000 Due to Other Appropriations within Same Fund *

^{*} Include Affiliate and Fund Affiliate ChartFields on journal line. This information is required to complete the year-end Subsidiaries on File and Due To/Due From reports.

Goods and Services

Debit 53xxxxx Operating Expense and Equipment

Credit 2000100 Accrued Accounts Payable (Corporations, Exempt

Corps, Individual/Sole Proprietor, Partnerships, Estate

of Trust, or Employee)

Credit 2020000 Due to Federal Government (Federal Agency)

Credit 2021000 Due to Local Government (Local Government Agencies,

including Cities and Counties)

Credit 2024000 Due to Other Governmental Entities (Other

Governmental Agencies, including school districts,

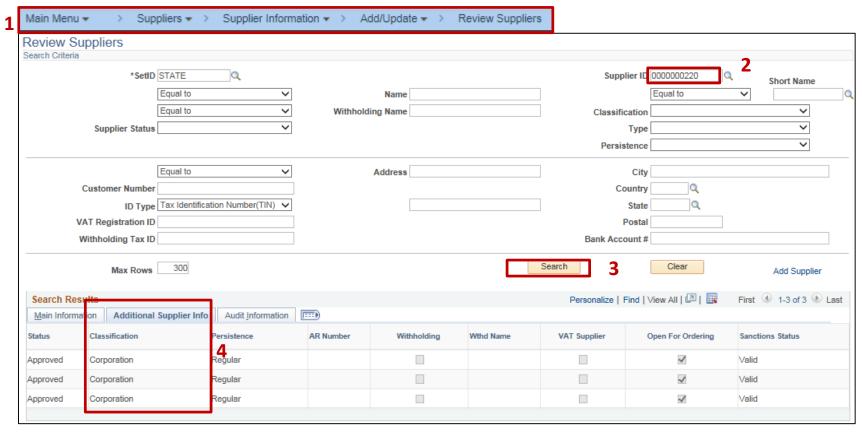
Community Colleges, UC/Regents, and other State

Govts.)

To ensure that the appropriate current liability account is used for the A-8 entry on goods and services invoices, the supplier classification should be identified from the Suppliers module in FI\$Cal.

To look up the **Supplier classification** for goods and services invoices, the steps are:

- 1 Navigate to Suppliers > Supplier Information > Add/Update > Review Suppliers
- 2 Enter the supplier ID in the **Supplier ID** field
- 3 Click **Search**, and the supplier information should populate
- **4** Click the **Additional Supplier Info** tab to view supplier classification. With this information, goods and services invoices can be grouped by supplier type to reduce the amount of accrual entries.



Once the invoices have been separated by type and supplier classification for goods and services invoices, the GL Processor can proceed with entering the journal entries in the GL Module.

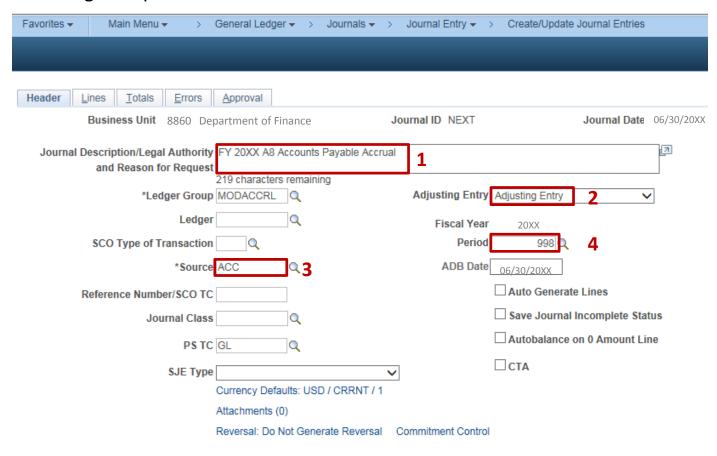
To enter the A-8 journal entry, the steps for the GL Processor are:

- 1 Navigate to General Ledger > Journals > Journal Entry > Create/Update Journal Entries
- 2 Enter your Business Unit
- 3 The date should be 6/30/20XX
- 4 Click Add



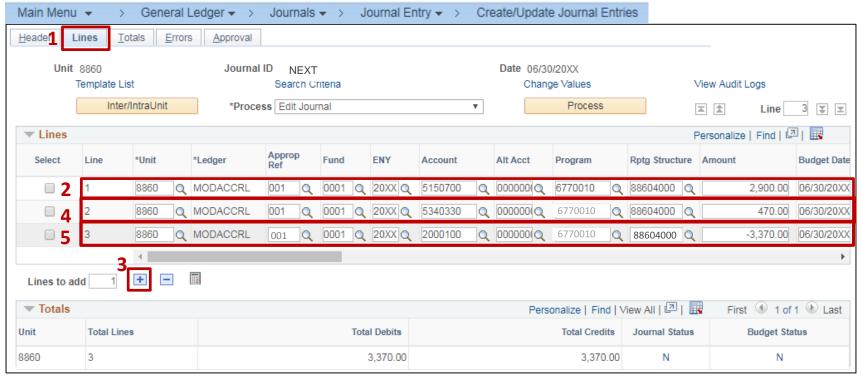
The GL Processor will create the **journal header**. The steps are:

- **1** Enter a **Long Description** for the A-8 entry
- 2 Change the adjusting entry to Adjusting Entry
- 3 Enter the source: ACC
- 4 Change the period to 998



The GL Processor will enter the **journal lines**. The steps are:

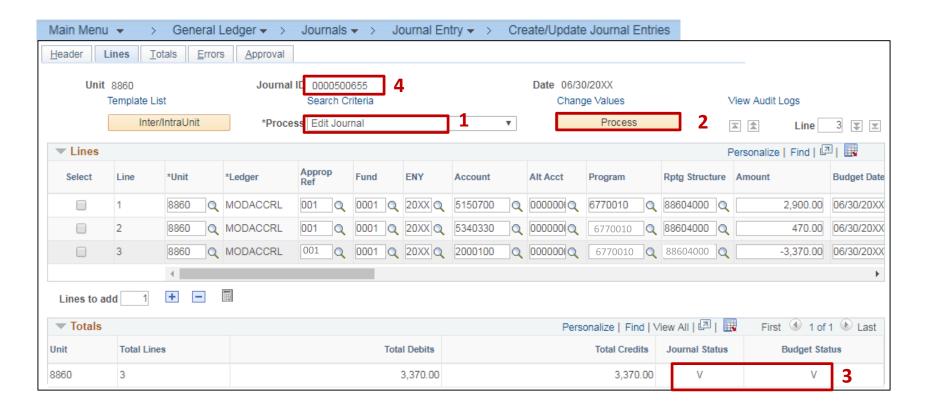
- 1 Click on the **Lines** tab.
- 2 Enter **Debit** line: Approp Ref, Fund, ENY, Account, Program, Rptg Structure, Amount (if applicable, enter Affiliate, and Fund Affiliate)
- 3 Click on + to insert a line
- 4 Enter additional **DR lines** as necessary
- 5 Insert a line and enter the **Credit line** to record the current liability account. Remember to use the appropriate liability account for your invoice type and supplier.



^{*} For Interagency Services, the debit and credit lines should include Affiliate, and Fund Affiliate ChartFields. This information is required to complete the year-end Subsidiaries on File and Due To/Due From reports.

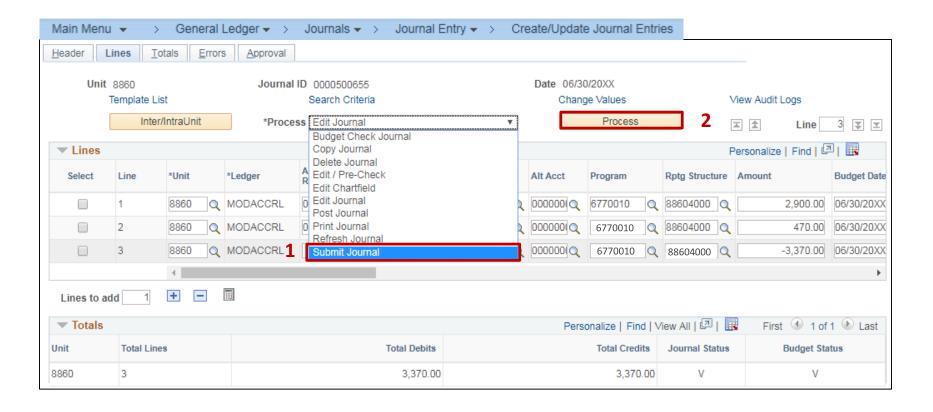
The GL Processor will run the **Edit Journal** process. The steps are:

- 1 Select Edit Journal
- 2 Click Process
- **3** Check that the Journal Status and Budget Status show "V" for Valid once the Edit process is complete.
- 4 The system will assign a Journal ID. Write down the Journal ID on your invoice for reference.



The GL Processor will submit the **Journal for approval**. The steps are:

- 1 Select Submit Journal
- 2 Click Process. The journal will workflow to the GL journal approver, and your journal will show as Pending. Once approved and the journal has gone through the batch process (adhoc or overnight), the Journal Status will show as "P" for Posted.



Reversing Entries in the New Year

After the A-8 entry is approved and posted in Period 998, the **GL Journal Processor** will copy the journal to create the manual reversal entries in Period 1.

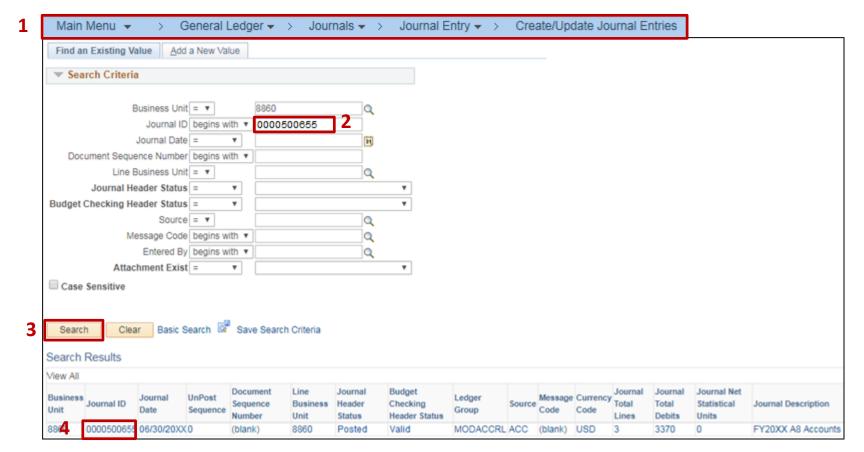
Accrual journal entries <u>must be manually reversed</u> in Period 1 of the new fiscal year.

Note:

- <u>DO NOT</u> use the "automated reversal" option. This method will create budget check errors in the new year.
- Year-End accrual entries in Period 998 and the reversal entries Period 1 should net to zero.

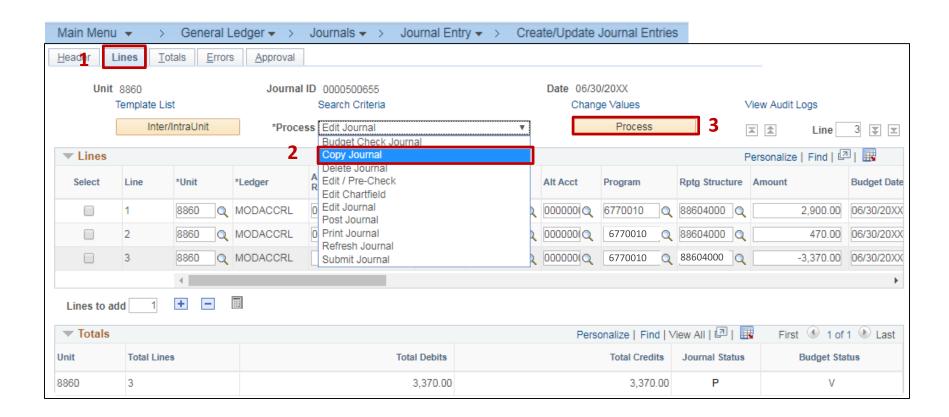
To create the reversal entry in Period 1 of the next fiscal year, the steps are:

- 1 Navigate to General Ledger > Journals > Journal Entry > Create/Update Journal Entries, and click on the Find an Existing Value tab
- 2 Input the journal ID to retrieve the A-8 entry
- 3 Click **Search**. The A-8 entry should appear.
- 4 Click on the Journal ID



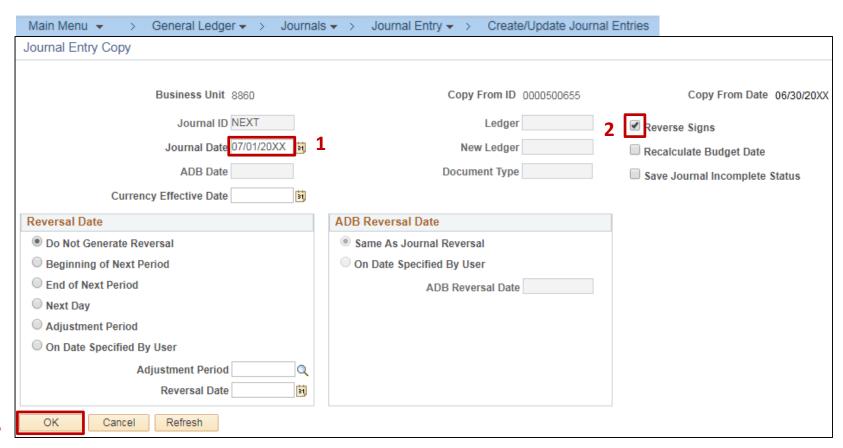
The GL Processor should copy the A-8 entry:

- 1 Go to the **Lines** tab
- **2** In the Process field, select **Copy Journal**
- 3 Click Process



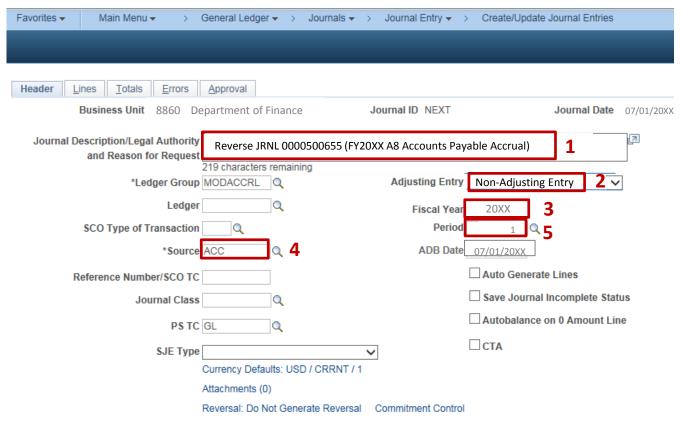
Edit the Journal Entry copy:

- 1 Change the date to **07/01/20XX** for Period 1 of the new fiscal year.
- 2 Check the **Reverse Signs** box
- 3 Click OK



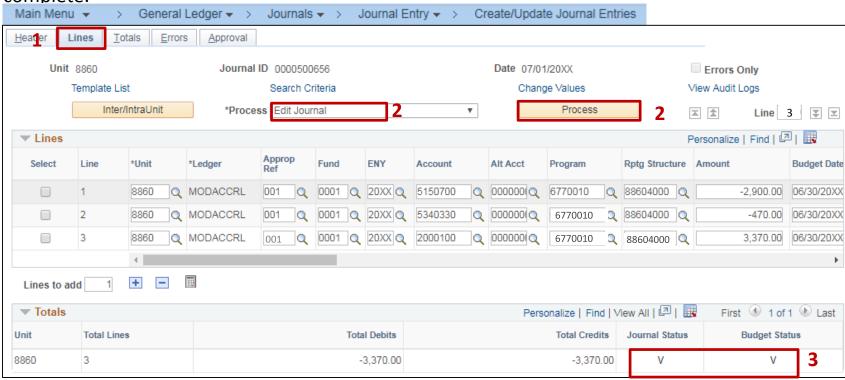
The GL Processor should updated the Header page:

- **1** Change the **Long Description** to reference the A-8 entry
- 2 Change the adjusting entry to Non-Adjusting Entry
- 3 The fiscal year should be the new fiscal year
- **4** Source should remain ACC. Transactions entered as ACC in 998 are reversed as ACC. If not, this may cause reconciliation issues and require extra posting.
- 5 Period should be 1



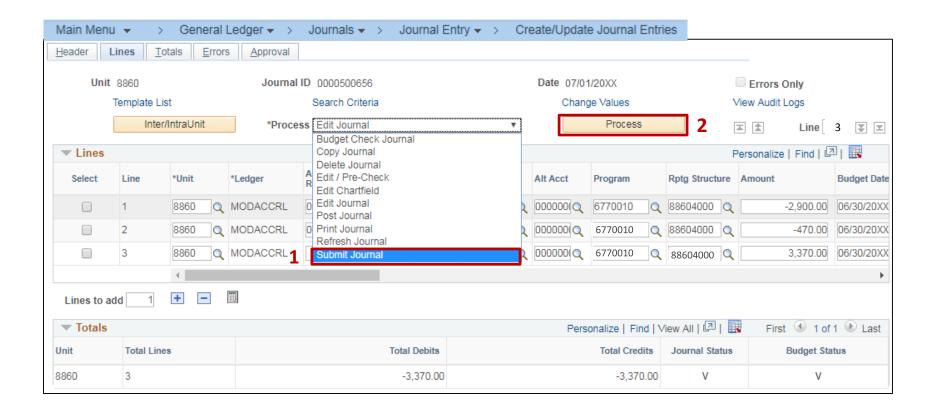
The GL Processor should run the Edit process:

- **1** Go to the **Lines** tab. Notice that the lines are opposite signs of the A-8 entry. The ENY and Budget Date should not be changed, and should match the A-8 entry.
- **2** Select **Edit Journal**, and click **Process**.
- **3** Verify that Journal Status and Budget Status shows "V" for Valid once the Edit process is complete.



The GL Processor will submit the **Journal for approval**. The steps are:

- 1 Select Submit Journal
- **2** Click **Process**. The journal will workflow to the GL journal approver, and your journal will show as Pending. Once approved and the journal has gone through the batch process (adhoc or overnight), the Journal Status will show as "P" for Posted.



Tips:

- Voucher and submit actual expenditures to SCO by **cutoff dates** if possible. This reduces the amount of A-8 entries for year-end.
- For goods and services invoices, group and post journal entries by supplier classification (e.g. Corporations, Federal Government...etc.).
- Invoices paid by **direct transfer** must be **accrued** in period 998 if SCO does not post journal entries by June 30.
- Record accrual entries in Period 998, source of ACC, and entry of Adjusting Entry.
- Record reversal entries in Period 1 of the new fiscal year, source of ACC, and entry of Non-Adjusting Entry.